Reference Guide 5

Understanding the Service Correction Codes

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This reference guide will help you better understand the use of Service Correction codes.

This reference guide assumes you already know how to:

- Log in to MyTRS

- Navigate the Deduction Report Editor

MTRS
MASSACHUSETTS TEACHERS'
RETIREMENT SYSTEM

How Service Credit is applied to a Member's Account

Service credit is posted to a member's account based on their reported pay frequency and FT%.

> For example, if someone has a pay schedule of 26, they will receive 1/26 of a year's credit for each record posted. At the end of the school year, they will receive 26/26 pays, making it one full year of service credit.

If a person's base salary does **not** equal 1/Pay Frequency (1/26 in the example above), the system will not know how to provide service credit; therefore, a service correction code is needed.

Prorated service amounts are calculated by dividing the member's base pay by the full annual salary.

Service Correction Codes

Service Correction codes are used within MyTRS to ensure that the member receives the proper service credit when their base pay is not the expected amount.

Depending on the situation, some records will have service credit prorated, while others will not.

> **Service credit WILL NOT be prorated when a member:**
> - Has base pay recalculated due to annual salary changes
> - Has a brief unpaid leave lasting no longer than one pay period and does not miss a check (e.g. the member is docked 2 days of pay becaue they have run out of sick time)
>
> **Service credit WILL be prorated when a member:**
> - Changes FTE%
> - Changes Pay Frequency
> - Starts the school year late
> - Misses an extended period of time due to an unpaid leave

Selecting the proper code is necessary to ensure the member receives the correct amount of service credit per check.

If the wrong Service Correction code is selected, the member may not receive the correct service credit.

> e.g. John Smith is a full-time employee with an annual salary of $52,000 and is on a 26 pay schedule. His normal base pay is $2,000.
>
> When John is paid his normal base pay of $2,000 he receives .038461 service credit per check. (1/26)
>
> John goes out on an unpaid leave and receives a final adjusted check before he stops being paid. This final check is for $3,400.
>
> > **Using the proper SC code of "Payout",** John will receive .065385 service credit for this pay period ($3,400/$52,000).
> >
> > **Using the incorrect SC Code of "Unpaid Admin Leave",** John will only receive .038461 service credit for this pay period (1/26)
> >
> > **By choosing the wrong SC Code, John has lost .026924 in service credit.**

MyTRS offers a variety of Service Correction Codes within the Deduction Report Editor to help explain why a member's base pay is different than expected. If a record requires a service correction code, please be sure to add a corresponding comment providing further explanation.

Available Service Correction Codes in MyTRS

1. UL - Unpaid Admin Leave
2. SD – Unpaid Snow Days
3. DL – Disciplinary Leave
4. ST – Unpaid Strike Day
5. SC – Salary Change Mid-Period
6. MT – Mid-Year Termination or Death
7. MH – Mid-Year Hire
8. PO – Payout
9. PL – Prorated Paid Leave
10. RL – Return from Leave

1. **UL - Unpaid Admin Leave**

   The Unpaid Admin Leave code is used when a member is docked pay for a day or two. This code is <u>not </u>used if the member is on a prorated paid leave or an extended unpaid leave that extends longer than one pay cycle.

   This code **does not prorate** the service credit the member receives for this pay period; full credit is calculated as detailed in the beginning of this guide.

2. **SD – Unpaid Snow Day**

   This code is used when a member is docked pay due to an unpaid snow day.

   This code **does not prorate** the service credit the member receives for this pay period; full credit is calculated as detailed in the beginning of this guide.

3. **DL – Disciplinary Leave**

   The Disciplinary Leave code is used when a member is docked pay for a disciplinary action (ie. suspension without pay). Please note that if the member is being investigated for a possible crime it is the school's legal obligation to notify MTRS.

   This code **does not prorate** the service credit the member receives for this pay period; full credit is calculated as detailed in the beginning of this guide.

4. **ST – Unpaid Strike Day**

   The Unpaid Strike Day code is used when a member's pay has been docked due to a strike.

   This code **prorates** the service credit the member receives for this pay period as detailed in the beginning of this guide.

5. **SC – Salary Change Mid-Period**

   The Salary Change Mid-Period code is used when a member's pay has been recalculated due to a change in their annual salary and/or position during the school year without any change to the member's full-time percentage. You would <u>not</u> use this code if the member is recalculated due to missed days or a leave of absence.

   Other uses for this code:

   • When a member has accidentally been overpaid or underpaid and the correction will be made on a future pay check.

   • When the correction is being made for an accidental overpayment or underpayment from a prior pay period.

   This code **does not prorate** the service credit the member receives for this pay period; full credit is calculated as detailed in the beginning of this guide.

6. **MT – Mid-Year Termination or Death**

The Mid-Year Termination or Death code is used when a member resigns, retires, is fired or passes away prior to the end of the school year and the final payment is prorated.

This code **prorates** the service credit the member receives for the pay period as detailed in the beginning of this guide.

7. **MH – Mid-Year Hire**

The Mid-Year Hire code is used when a member starts the school year after the first day of school and has their pay prorated as a result.

Other uses for this code:

- When a member is doubled-up on a check due to missing a previous payroll (e.g. when a member is doubled up on the second check of the year due to missing the first payroll).

- A change in a member's FT% during the year.

- A change in a member's pay frequency during the year.

This code **prorates** the service credit the member receives for this pay period as detailed in the beginning of this guide.

8. **PO – Payout**

The Payout code is used when a member is paid out for the balance of their contract prior to going on an unpaid leave of absence.

This code **prorates** the service credit the member receives for this pay period as detailed in the beginning of this guide.

9. **PL – Prorated Paid Leave**

The Prorated Paid Leave code is used when a member's pay has been prorated due to an unpaid leave.

This code would be used if the member's pay has been prorated early in anticipation of the upcoming unpaid days but while they are still working. This code would also be used while the member is physically on leave but still receiving prorated pay.

Other uses for this code:

- When a member is on a partially paid sabbatical.

- When a member is receiving worker's compensation payments while still being partially paid by the school

This code would <u>not</u> be used once the member returns from leave, even if their pay remains prorated.

This code **prorates** the service credit the member receives for this pay period as detailed in the beginning of this guide.

10. **RL – Return from Leave**

The Return from Leave code is used when an employer recalculates a member's pay once the member has physically returned to work from an unpaid leave.

This code **prorates** the service credit the member receives for this pay period as detailed in the beginning of this guide.